CALSTARS
2003
Annual
Report

DEPARTMENT OF FINANCE
CALIFORNIA

CALSTARS Annual Report 2003

INTRODUCTION

The CALSTARS Annual Report provides CALSTARS agencies with a summary of system operational activities and development efforts during the previous calendar year. In part, this document demonstrates our commitment to continue the strategic development of CALSTARS on behalf of its client agencies. Through such efforts, significant workload savings can be achieved for each agency and for the State in general.

This report as well as other CALSTARS documents including CALSTARS Operations Memos (COMs) and the CALSTARS Procedures Manual (CPM) are available through the CALSTARS web site at www.dof.ca.gov/html/calstars/index.html.

An e-mail subscription service is available to facilitate communications with CALSTARS agencies. The CALSTARS Operations e-mail distribution list is used to notify subscribers of CPM updates and new COMs and occasionally to provide subscribers with system operations information. CALSTARS agency staff who use these documents or who need to be aware of CALSTARS operations should subscribe to the distribution list at www.dof.ca.gov/archives/calopsjoin.htm.

SYSTEM CHANGES

During 2003, the following major projects described in the CALSTARS Annual Plan have been completed:

★ **Automation of DGS Invoices** — The CALSTARS Automated Payables process is now available to all agencies. The process provides an automated option for recording a high volume of CALSTARS payment transactions for specific state organizations and large companies. The Department of General Services is the first vendor to participate in the automated payables process. Refer to the CALSTARS Procedures Manual (CPM), Volume I, Chapter 21 for more information on the Automated Payables process.

★ **Automated TEC Payment Process** — The CalATERS (California Automated Travel Reimbursement System) Interface between SCO and CALSTARS is now completed. Refer to the CPM, Volume I, Chapter 22 for specific information on the interface process. CalATERS is available to all agencies through the State Controller's Office.

★ **Automated YE Statements to SCO** — All agencies now have the opportunity to electronically submit 2003/04 year-end financial statements for governmental funds. Electronic 2002/03 year-end statements for approximately 40 funds were successfully submitted by pilot agencies.

The following system enhancements were installed during the 2003 calendar year:

★ Externally submitted input data for CALSTARS tables and financial transactions are now submitted into a predefined file. The file is automatically extracted by CALSTARS for processing. Agencies no longer have to call the CALSTARS Production Control Unit when there is input data for processing.

★ New security indicators were added for the DGS Payables (Invoice and Table), the Automated SCO Year End process, and the Online History Search. These indicators give agencies more control of the level of authority specified for an individual. Updated security procedures were also e-mailed to the CALSTARS Agency Security Officers.

★ CALSTARS offers a variety of history reports for its clients. Previously only one version of each History report could be ordered during the day for overnight processing. Now up to nine versions of each History report can be ordered for overnight processing.

★ The U0I Vendor Payment Detail report was modified to include a PY option, Period options, a Fund selection option, and a Vendor Type selection option.

★ The H00 report was modified to include the Multipurpose, Location, Vendor Name and Vendor Number fields. A new Report Request Period option, F, was also added. When the F option is used, the H00 report is displayed in a fixed two-line record format.

★ Year-end Report 9, Analysis of Change In Fund Balance (G04), was modified to include an Adjustments to Fund Balance section. This includes miscellaneous adjustments to GL 5530 or GL 5540 for items such as Pro Rata, Century Changes or Rural Health Care Assessments.

★ The Fund field was added to the View Unreconciled Checks screen (Command A.2.I). If an E85 error is received, the Fund number can now be identified by looking at the screen.

★ The History Inquiry Interrupt feature was implemented for the Online History File Inquiry process to help agencies curtail costly searches. New edits for reasonableness and compatibility were also added.
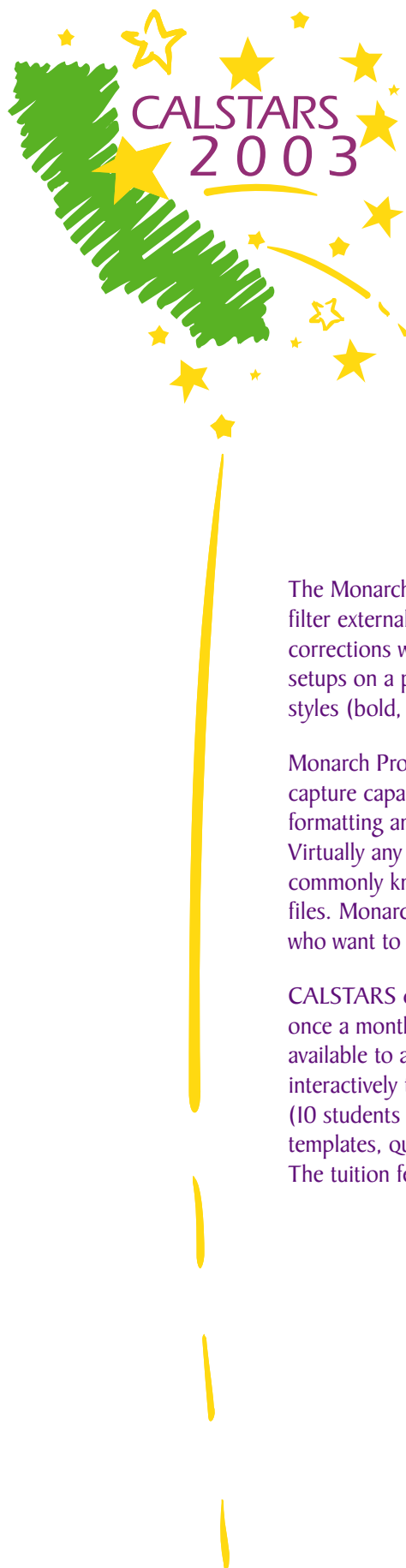
MONARCH

The use of Monarch PC software continues to grow and significantly improve each agency's internal reporting processes. With the latest release of Monarch, Version 7 (V7), CALSTARS agencies now have the ability to work with large report files. While maintaining all of the features of the previous version, V7 includes a host of other new features such as a new export wizard, new calculated field functions, and new interactive report view and verify functions. Agencies can now capture data in multi-column reports, do duplicate filtering and create their own summary measures. Monarch V7 still integrates data from enterprise systems with MS Office and other leading applications without programming.

The Monarch V7 Professional Edition allows you to do multiple external data lookups and filter external data sources. The new table features include the ability to make calculated field corrections with the new multi-level undo/redo feature, the option of defining individual page setups on a pre-summary basis, and improved summary field formatting that includes new font styles (bold, italic and underline).

Monarch Pro is a powerful business intelligence solution for everyone. It adds improved data capture capabilities, exporting capabilities including export in HTML and Office XP formats, formatting and enhanced usability, summary view features, and a new 'Address Blocks' wizard. Virtually any report used in your organization can be brought alive in Monarch. These files are commonly known as print files, spool files, TXT files, formatted ASCII files, PRN files and SDF files. Monarch is the ideal solution for managers, analysts, accountants, and IS professionals who want to access, manipulate and export data from reports.

CALSTARS continues to provide Monarch training classes. We will be conducting classes once a month beginning in September and continuing through April. Monarch Training is available to all employees of a CALSTARS agency. The Monarch trainer leads the participants interactively through basic and advanced operations of Monarch. In a small classroom setting (10 students per class), students learn how to read report file data, create data extraction templates, query, filter, sort, summarize and export data for use with other PC applications. The tuition fee is $200 per participant.

COMMUNICATIONS WITH AGENCIES ⭐

CALSTARS agencies are informed of upcoming changes to policy or procedures through CALSTARS Manual Transmittal Letters (TLs) and CALSTARS Operations Memos (COMs) through the Internet, the CALSTARS News, and e-mail notification. A subscription service is available for clients who wish to receive notifications of new TLs or COMs through e-mail. Clients may subscribe to this service by accessing www.dof.ca.gov/archives/calopsjoin.htm. Additional communications, including the training schedule and CALSTARS Contacts, are also available on the CALSTARS Web pages.

The Internet is the sole source of CALSTARS documents, which includes the CALSTARS Procedures Manual (CPM), CALSTARS Manual Transmittal Letters (TLs), COMs, the Annual Plan, and the Annual Report. A zipped file of the CPM is available for downloading to your PC or local environment. The CALSTARS Internet site can be accessed at www.dof.ca.gov/html/calstars/index.html.

The following communications were issued in 2003:

★ 6 Transmittal Letters (TLs)

★ 6 COMS

★ II2 News Items

★ 62 Job Opportunities

CLIENT SUPPORT ⭐

The Quality Implementation Check (QIC) Review program continued this past year. A "QIC Review" is performed when an agency requests a review of their accounting practices and/or procedures. We began the year with three active QICs, completing one. In addition, we started one new review. In all, we spent over 650 hours providing QIC support.

In addition to the QIC support, we provided over I,780 hours of agency requested support to over 28 agencies. Examples include:

★ Assisting agencies with year-end processes, reconciliations and statements.

★ Reviewing cost allocation processes and methodologies.

★ Assisting agencies in monthly manual and automated SCO reconciliations, bank reconciliations and Office Revolving Fund problems.

★ Evaluating agency reporting requirements, reviewing report usage and ordering options.

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★ Assisting agencies in implementing new legislation.

★ Working with agencies on internal control issues.

★ Implementing the Office Revolving Fund feature and automated checkwriter at several agencies.

★ Coordinating the revision of organization, program and costing structures due to changes in the Budget Act.

★ Assisting in the consolidation of various accounting offices located throughout California into 3 regional accounting offices.

★ Providing general support to agencies in preparing PFAs, remitting cash receipts, and resolving clearing account problems.

Client support staff spent over 1,470 hours working on various projects to develop new features or system enhancements. Some of these projects included the automated payables process for Department of General Services invoices, automated year-end financial statements, and enhancement of online table screens.

CALSTARS staff maintained the HOTLINE each working day from 8:30 a.m. until 4:30 p.m. In addition, our staff maintained the HOTLINE for seven Saturdays in July and August from 8:00 a.m. until 1:00 p.m. to provide additional assistance for financial statement preparation and for year-end closing. A total of 1,710 hours were spent on supporting this effort.

In addition to telephone support, agencies also access the HOTLINE via e-mail at HOTLINE@dof.ca.gov.

REPORTABLE PAYMENTS ☆

The Reportable Payment process was run as scheduled on December 22, 2003. Agencies processed 257,599 reportable payment transactions during the year. On behalf of all CALSTARS agencies, we electronically reported 16,329 information returns (Form 1099) totaling $ 4,880,971,800 to the Franchise Tax Board (FTB) and the Internal Revenue Service (IRS). This consolidated filing is beneficial to agencies because they no longer need to individually:

★ Prepare and mail the 1099 form to each vendor that receives reportable payments from the agency.

★ Report the information to the FTB and IRS.

TRAINING ⭐

CALSTARS Training continues to be a success with our client agencies.

The following table shows the number of classes conducted and students attending classes over the past two years:

Track	Class Title	Last Year 2002		This Year 2003		Change	
		Classes	Students	Classes	Students	Classes	Students
I	CALSTARS Overview/ Introduction	7	137	4	82	−3	−55
II	CALSTARS Tables	2	39	1	19	−1	−20
III	Detailed Accounting	7	136	6	116	−1	−20
IV	Labor Distribution Subsystem	2	27	2	31	0	4
V	SCO Reconciliation/ Month-end Close	4	66	2	39	−2	−27
VI	Office Revolving Fund and Check-writer Subsystem	4	76	1	20	−3	−56
VII	Cash Receipts and Accounts Receivable	3	52	2	40	−1	−12
VIII	Operating Transfers, Bonds and Loans	1	17	0	0	−1	−17
IX	CALSTARS Reporting	3	50	4	77	1	27
YEC 1	Planning for Year-end Closing—1/2 day 1	4	136	2	60	−2	−76
YEC 2	Preparing Year-end Statements-1, 2, or 3-day Session	16	308	15	272	−1	−36
	Monarch for Windows	10	80	6	49	−4	−31
	TOTALS, ALL CLASSES	**63**	**1,124**	**45**	**805**	**−18**	**−319**
	TOTAL STUDENT DAYS 2	**2,032**		**1,483**		**−549**	

[1] The Year-End Session 1 class was available as a self-viewing slide presentation on the CALSTARS Internet site as an alternative to attending the April 2003 classes.

[2] Defined as the number of days of training in each track multiplied by the number of trainees in each track.

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All CALSTARS training classes, except for the Monarch class, continue to be available at no direct cost to CALSTARS agencies. Each CALSTARS class covers a different functional area within an accounting operation. Through the Training System and the personal computers in our training room, we can simulate all parts of the CALSTARS system. We use the "hands on" training technique in nearly every class. Two analysts are assigned full time to maintain and conduct the CALSTARS training classes. The current schedule of classes, registration form, and course descriptions are included in COM 03-06 and are accessible through the CALSTARS web site.
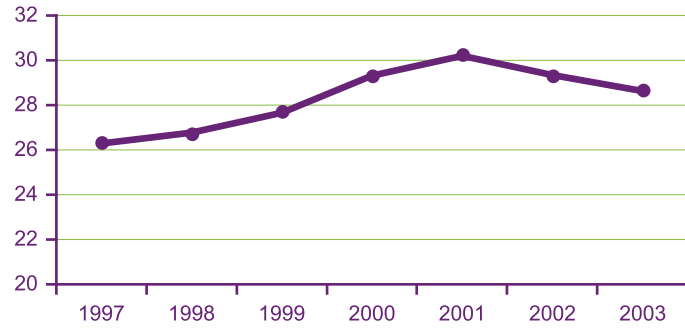
DAILY OPERATIONS

With some small deviations, processing trends established over the past few years continued in 2003. The following are brief comments about the data in the table and graphs below:

★ **Transactions Processed**—For the second year in a row, the total count of transactions processed decreased, this time by 2.4%.

★ **Report Requests**—Total report requests increased again, this time by 2.7%, although "FI" reports were down by 6.2%.

★ **Microfiche**—The trend toward decreased use of fiche continues. Original and duplicate requests were down 5.4% and 6.4% respectively.

★ **HHSDC Paper Usage**—CALSTARS client agencies dramatically reduced their dependence on HHSDC printed reports. This year, pages printed at HHSDC went down by 23%.
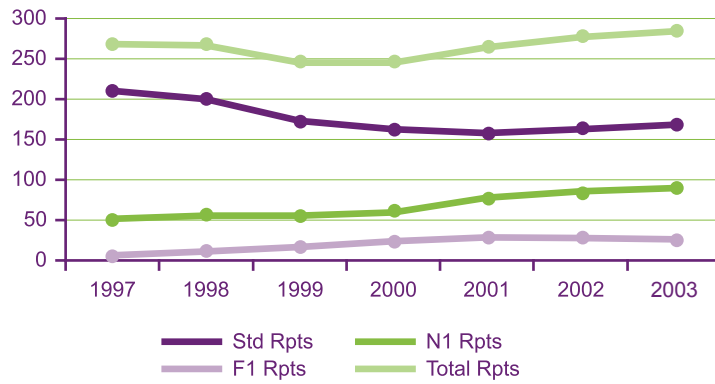
Categories	1999	2000	2001	2002	2003	02–03
Transactions	27,650,209	29,320,065	30,209,105	29,337,278	28,640,969	−2.37%
Report Requests:						
Standard Reports	172,924	162,431	157,688	162,994	168,319	+3.27%
N1 Reports	55,665	59,381	77,995	85,509	89,479	+4.64%
F1 Reports	16,700	23,460	28,678	28,122	26,384	−6.18%
Reports Total	245,289	245,272	264,361	276,625	284,182	+2.73%
Microfiche:						
Originals	283,822	277,209	276,317	268,013	253,739	−5.37%
Duplicates	294,605	291,120	285,912	276,862	259,105	−6.41%
Paper Usage	7,014,871	6,107,344	5,350,801	4,952,537	3,808,820	−23.09%

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Transactions Processed
(in millions)

Year	Value
1997	26.3
1998	26.7
1999	27.7
2000	29.3
2001	30.2
2002	29.4
2003	28.7

Reports Processed
(in thousands)

Std Rpts   N1 Rpts
F1 Rpts   Total Rpts

Microfiche
(in thousands)

Originals   Duplicates
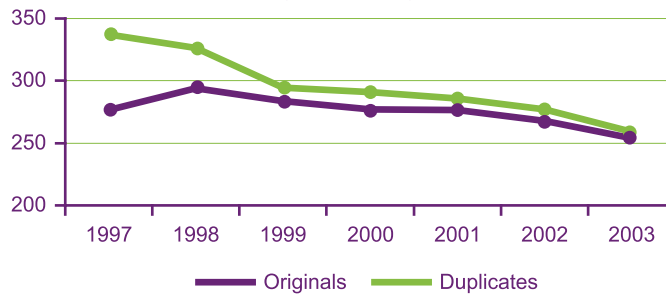
HHSDC Paper Usage
(in millions)
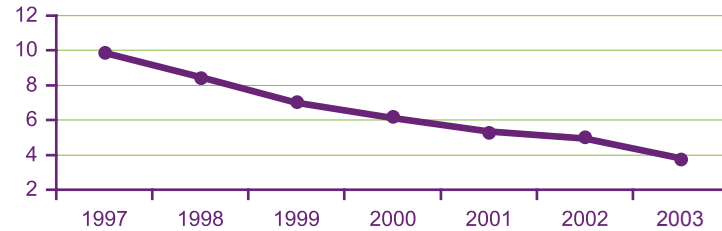
System Costs

CALSTARS system processing costs decreased by 4.7% from last year. The decrease is primarily due to HHSDC price reductions.

As part of our normal system reviews and objectives, we will continue to look for ways to reduce costs and to keep CALSTARS system costs at a reasonable level.

Conclusion

Departments continue to rely heavily on the information content of their automated systems for day-to-day operations and management decision-making. Recognizing that, we continue to focus on several goals for CALSTARS on their behalf.

★ Sustain the original goals and objectives established for CALSTARS

★ Operate and maintain a value-added, cost effective accounting system

★ Maintain an efficient and cost effective technology base and infrastructure for CALSTARS

★ Respond to the business needs and demands for timely and accurate fiscal information and financial reporting

★ Apply new or improved technologies to enhance the system's functionality